

INFORMATION REPORT

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SUBJECT Black Market Operations in Berlin

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SUPPLEMENT TO
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1. Within the framework of the Yugoslav Five Year Plan, the Yugoslav State Export Concern (Jugoslavensko Exportno Preduzece) is exporting Yugoslav products such as cigarettes, slivovits, marmalade, cheese, olive oil, wine, sardines, anchovies, flour, lard, honey, dried plums, etc., to Germany, especially to Berlin. Since 1945, hundreds of carloads of food have arrived at the Pankow freight yard, in part under false waybills, under Yugoslav guard, for the Yugoslav Military Mission. The goods are delivered by the latter to the representative of the Yugoslav State Export Concern of Belgrade, said to be one Cisl (or Ziesel), probably a Slovene. Cisl arranges the wholesale marketing of these goods at black market prices to shop proprietors who are licensed by the Russians.
2. The sale of Yugoslav, Bulgarian, and Russian goods is apparently under the ultimate direction of Rasno-Export. It is said that the proprietors of the various Yugoslav and Bulgarian retail shops receive permission to sell Yugoslav, Bulgarian, and Russian goods only upon payment of 2,000 dollars. The individual Yugoslav, Bulgarian, and Russian shop proprietors are obliged to undertake to sell a certain percentage of Rasno-Export goods. Since the individual Yugoslav shop proprietors, such as Yelavich on Sennfelder Platz, Gusin at Schützenstr. 6, Popovich at Bismarckstr. 8 (Niederschönhausen), and Mikish at Treskow Allee 1, were unable to raise the required \$2,000 for the license, they sought out certain middle-men who could raise the money. The majority of the latter are Polish and Russian Jews. The Yugoslav proprietors who man the front offices receive a share of the profits from the middle-men, and in this way have themselves accumulated amounts running into millions of marks.

The middle-men were able, through their international connections, to procure goods from Switzerland, Belgium, Holland, etc., at prices cheaper than those demanded by the Russians, Yugoslavs, and Bulgarians. Thus the middle-men were able to offer stiff competition to the latter. It was for this reason that the Russians, in agreement with the Yugoslavs and the Bulgarians, decided to interfere through the German police with the activities

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of the licensees. Before the raids by the German police took place, the goods belonging to Rasno-Export, to the Yugoslavs, and to the Bulgarians were put in safety. Only those shops were affected by the raids, and only those goods were confiscated, which were involved in the West-European deals. Evidence of this is the fact that certain of the shops are still allowed to go on selling goods of Yugoslav, Bulgarian, and Russian origin to this day.

4. The profits gained from the sales of goods at black market prices are used for the purposes of the current Five-Year Plans. Special agents of the economic sections of the military missions (including recently also the Czechs) buy up the requisite industrial products for the reconstruction of their respective countries. Items being bought up include: ball-bearings, electric motors, measuring devices of all kinds, metal-working machines, electrolytic copper in all forms, light bulbs, etc.

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